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OF COUNSEL
URBAN A. LESTER

December 29, 1994

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies each of the following documents, all dated as of December 29, 1994: an Equipment Lease Agreement, a primary document, and Lease Supplements No. 1 and No. 2 and a Bill of Sale, being secondary documents related to the aforesaid primary document.

The names and addresses of the parties to the enclosed documents are:

Equipment Lease Agreement
Lease Supplement No. 1
and Lease Supplement No. 2

Lessor: Norlease, Inc.
50 South LaSalle Street
Chicago, Illinois 60675

Lessee: Union Tank Car Company
111 West Jackson Boulevard
Chicago, Illinois 60604

Mr. Vernon A. Williams
December 29, 1994
Page 2

Bill of Sale

Seller: Union Tank Car Company
111 West Jackson Boulevard
Chicago, Illinois 60604

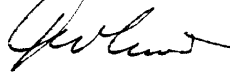
Buyer: Norlease, Inc.
50 South LaSalle Street
Chicago, Illinois 60675

A description of the railroad equipment covered by the enclosed documents is attached as Schedule I to Supplement No. 1 and Supplement No. 2.

Also enclosed is a check in the amount of \$84.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

OFFICE OF THE SECRETARY

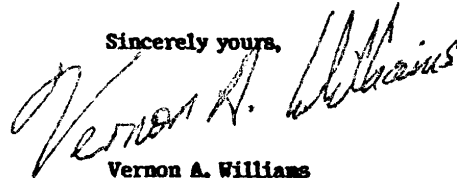
12/29/94

Robert W. Alvord
Alvord And Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC. 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/29/94 at 3:30PM, and assigned recordation number(s) 19144, 19144-A, 19144-B and 19144-C.

Sincerely yours,

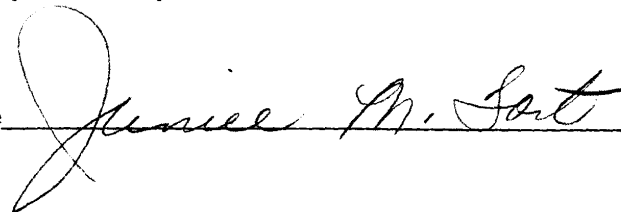


Vernon A. Williams
Secretary

Enclosure(s)

\$ 84.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



19144 A
LEASE SUPPLEMENT NO. 1 DEC 29 1994

This LEASE SUPPLEMENT No. 1 is dated December 29, 1994 between NORLEASE, INC., a Delaware corporation ("Lessor"), and UNION TANK CAR COMPANY, a Delaware corporation ("Lessee"), and supplements that certain EQUIPMENT LEASE AGREEMENT dated as of December 29, 1994 (the "Lease") between Lessor and Lessee.

Unless the context otherwise requires, all capitalized terms used herein without definition shall have the respective meanings set forth in Appendix A to the Lease for all purposes of this Lease Supplement.

EQUIPMENT

LEASED: 19 used boxcars built in 1977 as more fully described on Schedule 1 attached hereto.

BASIC TERM COMMENCEMENT DATE: December 29, 1994

BASIC TERM EXPIRATION DATE: December 29, 2000

CLOSING DATE: December 29, 1994

OPERATIVE AGREEMENTS: Lease, Bill of Sale, Asset Purchase Agreement, Escrow Agreement, Refurbishment Agreement, Remarketing Agreement.

SUBLEASE: (A) Letter Agreement dated as of August 22, 1994 between WCTU Railway Company, as lessor, and Canadian National Railway Company, as lessee.

(B) Memorandum of Equipment Sublease dated as of December 29, 1994, between Union Tank Car Company and WCTU Railway Company and such lease agreements between Union Tank Car Company and WCTU Railway Company as are referred to therein.

UNADJUSTED BASIS: \$455,164.00

METHOD OF COMPUTATION

OF DEPRECIATION DEDUCTIONS: The Lessor will be entitled to claim for federal and state income tax purposes Depreciation Deductions (A) with respect to its Unadjusted Basis of \$208,164, computed using the 150% declining-balance method over 15 years beginning in Lessor's taxable year ending December 31, 1994, using a half-year convention and assuming

the salvage value is zero, and (B) with respect to the additional Unadjusted Basis of \$247,000 resulting from the conversion and refurbishment improvements to be added to the Equipment in 1995, beginning in the Lessor's taxable year ending December 31, 1995, computed using the straight-line method over 15 years, using a half-year convention and assuming a zero salvage value.

MARGINAL FEDERAL INCOME TAX RATE: 35%

EFFECTIVE STATE INCOME TAX RATE: 4%

LEASE AMENDMENTS: For purposes of the Equipment leased under this Lease Supplement No. 1, Section 26(c)(iv)(B)-(C) of the Lease shall not apply.

RENT: The Lessee hereby agrees to pay the Lessor as Basic Rent for each Unit throughout the Basic Term applicable thereto Basic Rent in consecutive monthly installments, in arrears, payable on each Rent Payment Date. Each such monthly payment of Basic Rent shall be in an amount equal to the amount of Basic Rent set forth opposite such Rent Payment Date on Schedule 2 attached hereto.

CASUALTY VALUE: In the event the Casualty Value of an Unit is to be determined as of a date prior to the Basic Term Commencement Date with respect to such Unit (whether because of a Casualty Occurrence as described in Section 14(a) of the Lease, or otherwise), such Casualty Value shall be an amount equal to the sum of (i) the Cost of the Equipment in respect of such item, (ii) plus all Basic Rent and other Rent thereon due, accrued or owing to the date of payment. In the event the Casualty Value of an Unit is to be determined as of or subsequent to the Basic Term Commencement Date with respect to such Unit, such Casualty Value shall be an amount equal to (i) the amount set forth opposite the Rent Payment Date on which such Casualty Value is payable pursuant to Section 14(b) of the Lease plus (ii) the amount of Basic Rent for such Unit due on such Rent Payment Date. The Casualty Value is payable in addition to Supplemental Rent due or accrued, if any, and other fees which may be due under the Lease to the date such payment is to be made and does not include any amounts for which Lessor may be entitled to indemnification under Section 26 of the Lease. No further Basic Rent shall accrue in respect to such Unit after the date payment of such Casualty Value is due.

ACCEPTANCE: Lessee has inspected and accepted the Equipment,

as set forth in Section 2 of the Lease, and acknowledges that Lessor makes no representations or warranties as to the Equipment.

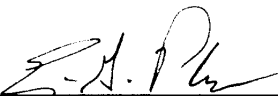
COUNTERPARTS: This Lease Supplement No. 1 may be executed in any number of counterparts, each executed counterpart constituting of an original but all together only one Lease Supplement No. 1.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement No. 1 to be duly executed and delivered at Chicago, Illinois on the day and year first above written.

LESSOR:

NORLEASE, INC.

By: 
Name:
Title: *VICE PRESIDENT*

LESSEE:

UNION TANK CAR COMPANY

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement No. 1 to be duly executed and delivered at Chicago, Illinois on the day and year first above written.

LESSOR:

NORLEASE, INC.

By: _____

Name:

Title:

LESSEE:

UNION TANK CAR COMPANY

By: Mark J. Garrette

Name: Mark J. Garrette

Title: Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

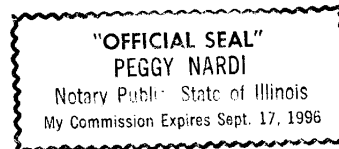
On this 28th day of December, 1994, before me personally appeared Eric G. Parker, to me personally known, who being by me duly sworn, says that he is the Vice President of NORLEASE, INC., that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Peggy Nardi

Notary Public

[NOTARIAL SEAL]

My commission expires: 9/17/96



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

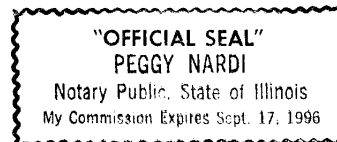
On this 28th day of December, 1994, before me personally appeared Mark J. Harvett, to me personally known, who being by me duly sworn, says that he is the Vice President of UNION TANK CAR COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Peggy Nardi

Notary Public

[NOTARIAL SEAL]

My commission expires: 9/17/96



SCHEDULE 1

Description of Units

The Units are comprised of nineteen (19) used boxcars, each with specifications of 70-tons, Plate B, 16-foot double-sliding doors, 15-inch end-of-car cushion, 50K nailable steel floors, and each manufactured in 1977 and bearing car numbers as follows:

WCTR 101594	WCTR 101731
WCTR 101650	WCTR 101734
WCTR 101652	WCTR 101737
WCTR 101657	WCTR 101743
WCTR 101701	WCTR 101744
WCTR 101707	WCTR 101759
WCTR 101712	WCTR 101761
WCTR 101715	WCTR 101782
WCTR 101718	WCTR 101784
WCTR 101720	[Intentionally blank]

SCHEDULE 2

BASIC RENT PER UNIT

[Withheld as containing proprietary information]

SCHEDULE 3

Casualty Values

[Withheld as containing proprietary information]